



Agenda Date: 6/23/04

Agenda Item:

STATE OF NEW JERSEY

Board of Public Utilities

Two Gateway Center

Newark, NJ 07102

www.bpu.state.nj.us

CABLE TELEVISION

IN THE MATTER OF THE PETITION OF CSC TKR,)
INC. D/B/A CABLEVISION OF RARITAN VALLEY)
FOR RENEWAL OF A CERTIFICATE OF APPROVAL)
TO CONTINUE TO OPERATE AND MAINTAIN A)
CABLE TELEVISION SYSTEM IN THE BOROUGH)
OF RARITAN, COUNTY OF SOMERSET,)
STATE OF NEW JERSEY)

RENEWAL CERTIFICATE OF APPROVAL

BPU DOCKET NO. CE04040243

SERVICE LIST ATTACHED

BY THE BOARD:

On May 19, 1978, the Board granted Cross Country Cable, Ltd. ("Cross Country") a Certificate of Approval in Docket No. 7712C-6345, for the construction, operation and maintenance of a cable television system in the Borough of Raritan ("Borough"). On February 5, 1982, the Board approved the transfer of the Certificate from Cross Country to TKR Cable Company ("TKR") in Docket No. 8112C-6860. On April 8, 1994, the Board issued a Renewal Certificate of Approval to TKR in Docket No. CE93060229. On April 2, 1997, the Certificate was transferred to TCI Atlantic, Inc. d/b/a TKR Cable Company ("TCI") in Docket No. CM96040359. On December 17, 1997, the Certificate was transferred from TCI to CSC TKR, Inc. d/b/a Cablevision of Raritan Valley ("Petitioner") in Docket No. CF97090674. Although the Petitioner's above referenced Certificate expired on May 19, 2003, it is authorized to continue to provide cable television service to the Borough pursuant to N.J.S.A. 48:5A-25, pending disposition of proceedings regarding the renewal of its Certificate of Approval.

The Petitioner filed an application for the renewal of its municipal consent with the Borough on August 15, 2002, pursuant to N.J.S.A. 48:5A-23 and N.J.A.C. 14:18-13. The Borough, after public hearing, adopted an ordinance on December 16, 2003. On February 11, 2004, the Petitioner formally accepted the terms and conditions of the ordinance, in accordance with N.J.S.A. 48:5A-24.

On April 6, 2004, pursuant to N.J.S.A. 48:5A-16, the Petitioner filed with the Board for a renewal of its Certificate of Approval for the Borough. The Board has reviewed the application for municipal consent, the petition for a Renewal Certificate of Approval, and the renewal municipal consent ordinance. Based upon this review and the recommendation of the Office of Cable Television, the Board **HEREBY FINDS** the following:

1. The Petitioner possesses the requisite legal, character, financial and technical qualifications for the awarding of a Renewal Certificate of Approval. Further, the Borough reviewed these qualifications in conjunction with the municipal consent process.
2. The design and technical specifications of the system will ensure that the Petitioner provides safe, adequate and proper service.
3. The Petitioner has represented that all previously required construction within the franchise territory is complete.
4. The franchise period as stated in the ordinance is ten years from the date of issuance of this Certificate. The Board finds this period to be of reasonable duration.
5. The Petitioner's rates shall be regulated and tariffs shall be filed for all services, in accordance with the rules and regulations of the Federal Communications Commission, the Board and the Office of Cable Television. The Petitioner shall maintain informational tariffs for unregulated service rates and promptly file any revisions thereto.
6. Pursuant to statutory requirements, the ordinance specifies a complaint officer to receive and act upon complaints filed by subscribers in the Borough. In this case, it is the Office of Cable Television. All complaints shall be received and processed in accordance with the applicable rules.
7. The Petitioner shall maintain a local area business office or agent for the purpose of receiving, investigating and resolving complaints. The current local office serving this purpose is located at 275 Centennial Avenue in Piscataway, New Jersey.

8. The franchise fee to be paid to the Borough is specified to be 2% of the Petitioner's gross revenues from all recurring charges in the nature of subscription fees paid by subscribers for its cable television reception service in the Borough. Additional regulatory fees shall be paid to the State in an amount not to exceed 2% of Petitioner's gross operating revenues derived from intrastate operations. The Board finds these fees to be reasonable.
9. The Petitioner shall utilize the line extension policy attached to the Certificate (Appendix "I"). The minimum homes per mile figure is 25.
10. The Petitioner shall provide public, educational and governmental access channels and facilities in accordance with its renewal application and the ordinance. Specifically, the Petitioner shall provide and maintain one governmental/educational ("EG") access channel for the use by the local government and accredited educational institutions in the Borough for non-commercial programming. The Petitioner shall provide one access return line at the municipal building located at 22 First Street for use by the Borough in the production of non-commercial EG access programming on the system.
11. The Petitioner shall provide the Borough with a capital contribution in the amount of \$5,000.00, which may be used for any cable and/or telecommunications purposes including to supplement EG access related production and programming efforts in the Borough.
12. Upon written request of the Borough, the Petitioner shall provide the standard installation and basic service to one outlet, free-of-charge, to all state or locally accredited public and private elementary and secondary schools, to all public libraries as well all municipal buildings used for governmental purposes within the Borough.
13. Upon written request of the Borough, the Petitioner shall provide one standard installation, one cable modem and monthly Internet service to all state accredited public and private elementary and secondary schools in the Borough. The Borough shall be permitted, at its own cost, to network up to nine additional personal computer terminals at each school; however, the cost of the router that would be required to network the additional computers will be borne by the Borough. The router, if purchased from the Petitioner, shall be at a cost not to exceed \$2000.00. If the Borough elects not to purchase the router, it shall be permitted, at its own cost, to up to three additional personal computer terminals in each school.
14. Upon written request of the Borough, the Petitioner shall provide one standard installation, one cable modem and monthly Internet service to one municipal location in the Borough. The Borough shall be permitted, at its own cost, to network up to three additional personal computer terminals in the designated building.

15. Upon written request of the Borough, the Petitioner shall provide one standard installation, one cable modem and monthly Internet service to the municipal public library in the Borough. The Borough shall be permitted, at its own cost, to network up to nine additional personal computer terminals in the public library; however, the cost of the router that would be required to network the additional computers will be borne by the Borough. The router, if purchased from the Petitioner, shall be at a cost not to exceed \$2000.00. If the Borough elects not to purchase the router, it shall be permitted, at its own cost, to up to three additional personal computer terminals in the public library.
16. The Petitioner shall provide a senior citizens discount program in the Borough in the amount of 10% off the monthly rate for basic service for senior citizens who meet the income and residency requirements of the Pharmaceutical Assistance to the Aged and Disabled ("PAAD") program, as allowed by N.J.S.A. 48:5A-11.2.

Based upon these findings, the Board **HEREBY CONCLUDES**, pursuant to N.J.S.A. 48:5A-17(a) and 28(c), that the Petitioner has the municipal consent necessary to support the petition, that such consent and issuance thereof are in conformity with the requirements of N.J.S.A. 48:5A-1 et seq., that the Petitioner has complied or is ready, willing and able to comply with all applicable rules and regulations imposed by or pursuant to State or federal law as preconditions for engaging in the proposed cable television operations, that the Petitioner has sufficient financial and technical capacity, meets the legal, character and other qualifications necessary to construct, maintain and operate the necessary installations, lines and equipment, and is capable of providing the proposed service in a safe, adequate and proper manner.

Therefore, the Petitioner is **HEREBY ISSUED** this Renewal Certificate of Approval as evidence of Petitioner's authority to construct and operate a cable television system within the entirety of the Borough.

This Renewal Certificate is subject to all applicable State and federal laws, the rules and regulations of the Office of Cable Television, and any such lawful terms, conditions and limitations as currently exist or may hereafter be attached to the exercise of the privileges granted herein. The Petitioner shall adhere to the standards set forth by the Federal Communications Commission's rules and regulations, 47 C.F.R. §76.1 et seq., including but not limited to, the technical standards 47 C.F.R. §76.601 through §76.630. Any modifications to the provisions thereof shall be incorporated into this Certificate.

Failure to comply with all applicable laws, rules, regulations and orders of the Board or Office of Cable Television and/or the terms, conditions and limitations set forth herein may constitute sufficient grounds for the suspension or revocation of this Certificate.

This Renewal Certificate is issued on the representation that the statements contained in the Petitioner's applications are true, and the undertakings therein contained shall be adhered to and enforceable unless specific waiver is granted by the Office of Cable Television pursuant to the authority contained in N.J.S.A. 48:5A-1 et seq.

This Certificate shall expire ten years from the date of its issuance.

DATED: **June 24, 2004**

BOARD OF PUBLIC UTILITIES
BY:

SIGNED

JEANNE M. FOX
PRESIDENT

SIGNED

FREDERICK F. BUTLER
COMMISSIONER

SIGNED

CAROL J. MURPHY
COMMISSIONER

SIGNED

CONNIE O. HUGHES
COMMISSIONER

SIGNED

JACK ALTER
COMMISSIONER

ATTEST:

SIGNED

KRISTI IZZO
SECRETARY

APPENDIX "I"
Office of Cable Television
Line Extension Policy

CSC TKR, Inc. d/b/a Cablevision of Raritan Valley
Borough of Raritan

A cable operator is required to absorb the cost of extensions to the system in the same proportion that the extension is to the remainder of the system.

Actual subscribers served by the extension are required to absorb the remainder of the cost.

If new subscribers are added to the extension the cost is adjusted and those who previously paid receive an appropriate rebate.

- | | | |
|--|---|---|
| 1. $\frac{\text{\# of homes in extension}}{\text{mileage of extension}}$ | = | homes per mile (HPM) of extension |
| 2. $\frac{\text{HPM of extension}}{\text{Minimum HPM that company actually constructs in the system}^*}$ | = | ratio of the density of the extension to the minimum density which the company constructs in the system ("A") |
| 3. Total cost of building the extension times "A" | = | company's share of extension cost |
| 4. Total cost of building extension less company's share of extension cost | = | total amount to be recovered from subscribers |
| 5. $\frac{\text{Total amount to be recovered from subs}}{\text{Total subscribers in extension}}$ | = | each subscriber's share |

In any case, the company shall extend its plant along public rights of way to:

1. All residences and businesses within 150 aerial feet of the operator's existing plant at no cost beyond the normal installation rate.
2. All residences and businesses within 100 underground feet of the operator's plant at no cost beyond the normal installation rate.

* The minimum HPM that the company actually constructs in the system or municipality is the minimum number of homes that the company has historically constructed at its own cost. This is a function of the operator's break-even point and its rate of return. Unbuilt systems will use the primary service area rather than construction.

The operator's installation policies shall apply to construction beyond the public right of way.

Detailed accounting and/or financial information to support the minimum HPM shall be supplied to the Office for its approval in such form as required. The minimum HPM shall be updated as appropriate.

When a request for service is received, and unless good cause is shown, cable companies shall:

1. Provide a written estimate within 30 days of such a request.
2. Begin construction within 60 days of receipt of any deposit monies from potential subscribers.
3. Complete construction within six months of receipt of any deposit monies from potential subscribers.
4. Inform each home passed along the extension of the potential costs for subscribers.

Subscribers who pay for an extension shall be entitled to rebates in the following manner:

1. If the company acquires new subscribers subsequent to the initial calculation of step 5 above, the formula will be adjusted and those who have previously paid for the extension will be entitled to an appropriate rebate. In no event shall the amount of the rebate exceed the subscriber's contribution.
2. The company shall keep accurate records of the cost of the extension, the amounts paid by subscribers and any appropriate adjustments.
3. The company shall notify subscribers in the extension of their rights and responsibilities concerning the extension.
4. Once an individual dwelling has paid its share of the extension cost future reconnections or installations shall be made at the company's standard rates.
5. After a period of five years from the installation of the first dwelling unit in the extension no further adjustments shall be made. Installations after five years shall be at the company's standard rate.
6. Once a subscriber is installed, that person shall not normally be entitled to a refund of any monies paid for the installations, except in accordance with the rebate procedure outlined in this policy.

Definitions

Primary Service Area

The Primary Service Area (PSA) can be an entire municipality, but in many instances the PSA is a limited area within a community outside of which a line extension policy may apply. The PSA is depicted by a franchise map and narrative, presented and recorded during the franchise proceedings. It normally remains a fixed geographic area throughout the life of the franchise.

Line Extension Survey

Potential subscribers residing outside the PSA who request service are entitled to an estimate of their share of the cost to secure service. When conducting a survey and estimating costs, a cable company should factor in all potential subscribers who could practicably be included in the extension and give consideration to apparent residential construction in areas contiguous to the proposed extension.

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